

Verizon Airfone Inc.

Air to Ground Terrestrial Broadband Commitment – Capability – Vision

Meeting with the FCC June 17, 2004



Verizon Commitment

- Airfone has a long history of serving the flying public.
 - Considerable capital invested in the ATG network
 - 20 years of quality and feature improvement
 - Sole service provider today, committed to future development
 - Pushed current technology as far as FCC regulations will allow



Verizon Capability

- Airfone currently offers a variety of narrowband services.
 - Voice: Basic telephone, 3-way, conference calling
 - Data: Web-based content, IM, SMS
 - Audio: News, weather, sports, stocks
- Customers also want <u>broadband</u> services.
- Airfone has a technology solution that meets all these needs, but the FCC's rules restrict us from deploying it.



Verizon Vision

- ♦ Verizon's vision is to provide Broadband anytime, anywhere – on the ground or in the air.
- Customers require a wider breadth of services.
 - Virtual Private Network (VPN) e-mail
 - Unencumbered Internet access
 - F-Commerce
 - Web surfing
 - Airline logistical support
- Next generation, IP-based technologies provide the most cost effective and spectrally efficient solution.
 - Flight tests prove viability of technology



Summary

- ◆ The Commission should modify its rules to allow Airfone to provide Broadband service.
 - Public will benefit from more robust ATG services
 - Competition to satellite-based services (e.g., Boeing)
- ◆ A prompt decision (3Q04) is necessary.
 - Customers want services now
 - Airlines reluctant to commit until Commission rules
 - Other technologies are moving forward